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U.S. Dept. of the Treasury

Pay-roll allotment plan applied to the defense...

[Washington?]

[1942]

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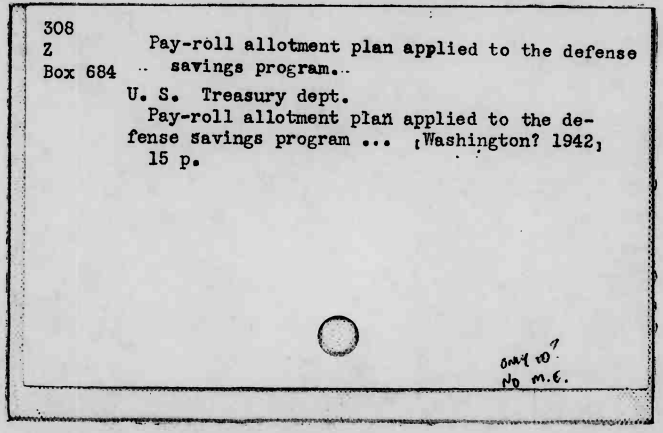
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Pay-roll allotment plan applied to the defense savings program.

U. S. Treasury dept.
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PAY-ROLL ALLOTMENT PLAN

APPLIED TO

THE DEFENSE SAVINGS PROGRAM

MAR 7 1945 PCM

I. *Purpose of Program.*

The purpose of the Defense Savings Program is to enlist the citizens of America in affirmative aid to the great national effort for the freedoms for which the country stands. It is to cause, if possible, every American citizen to take part in the program of effective national defense, not merely through passive consent to the endeavor but rather, by positive and loyal participation in the program. One of the paths for attaining this objective is the regular, systematic savings of a part of each individual's earnings during the period of total defense.

An unlimited emergency has been declared by the President. The Nation has embarked upon a program of preparedness never before equalled in our history. Billions of dollars are being spent on planes, tanks, guns, and equipment of all sorts for adequate defense. This leads to a vigorous employment of our natural and human resources and a substantial increase in the money income of the people. It is desired that a substantial part of this current income be saved by those who receive it, not only for immediate values but as a cushion to the shock which may come when the Government is able to abandon its defense spending.

The best means of doing this is for each citizen—man, woman, or child—to become a partner of Uncle Sam by investing in Defense Savings Bonds and Stamps. By so doing, each such citizen in the United States owns a share in America, and thus takes a real and personal part in the defense of democracy.

II. *Why Have a Pay-Roll Allotment Plan?*

A Pay-Roll Allotment Plan provides the most convenient, easy, systematic method by which the workers and salaried people of America can invest in a share of their own government on the installment or budget plan.

III. *How Would Pay-Roll Allotment Benefit the Employee?*

It will provide a simple, easy, and automatic means by which the employee may save regularly any amount he or she can afford. This saving, in the form of Defense Bonds, buys a share in this country, and at the same time, accumulates their savings in an investment of unquestioned security and splendid interest return.

The Pay-Roll Allotment Plan gives the employee an opportunity to do his or her patriotic duty. It prevents carelessness or forgetfulness, and assures an uninterrupted program of savings each pay period, with a minimum of effort on the part of the employee. It helps the employee to avoid skipping a savings period and spending the money for nonessentials. Remember the old saying about the road paved with good intentions.

IV. *Are There Any Bad Features of the Plan From the Employees' Standpoint?*

No. The purchase of Bonds by employees is voluntary. The Pay-Roll Allotment Plan is adopted for the convenience and benefit of the employee, and may at any time be interrupted or canceled by the employee at his or her own discretion.

V. *How Does the Plan Benefit the Employer?*

The Plan gives the employer an opportunity to do a patriotic duty. It builds morale in his organization. It is safe to say that any employer who is blessed with thrifty, loyal, patriotic employees is far better off that if the opposite were true.

VI. *Would the Plan Be Costly or Hard to Administer?*

No. The Plan is simple and very easy to administer. Every employer these days is familiar with Pay-Roll Allotment, and

most of them are already administering it in some form such as Social Security, Group Insurance, Retirement, and other programs. The good that will accrue would more than offset the slight trouble and expense. Very few employers would refuse to give the employee time off to go to the Post Office or bank to buy Bonds or Stamps, should the employee request it. Pay-Roll Allotment will take care of this situation and save time.

There is another item the employer may consider. The billions of dollars now being spent for defense in this country have to be raised, sooner or later, one way or another.

VII. *How Will Pay-Roll Allotment Help the Defense Savings Program?*

It will provide the machinery to accomplish the very essence of what is desired—regular, systematic savings by the masses, not for just a day or a month, but during this whole emergency. Only one sale will have to be made—the initial one and the job will be completed. What is the answer? Pay-Roll Allotment.

Pay-Roll Allotment can be placed in the great majority of business and industrial concerns in this country, without the slightest bit of coercion or the offending of any employer or employee. The Plan is a voluntary business procedure, adopted to do a real job, and is designed to meet a problem which confronts us all—pay our debts and save for the future.

THE MECHANICS FOR A PAY-ROLL ALLOTMENT PLAN TO FIT ANY BUSINESS OR INDUSTRY IS GIVEN IN FOLLOWING PAGES OF THIS BOOKLET, AND ANY OTHER DESIRED INFORMATION MAY BE HAD FROM THE PAY ROLL ALLOTMENT DIVISION OF THE DEFENSE SAVINGS STAFF, WASHINGTON, D. C. Many large national concerns and other business firms have adopted such a Plan, copies of which are available.

VIII. *Will Labor Ratify the Plan?*

Yes. The American Federation of Labor, the C. I. O., and the Railway Brotherhoods have endorsed the Defense Savings Plan, and they have approved Pay-Roll Allotment wherever it has been properly presented.

State and local committeemen representing labor can be very helpful in explaining the Plan to employees, and suggest that they request their management or employer to install a Pay-Roll Allotment Plan for their benefit and convenience.

IX. *Will It Be Easy To Get Pay-Roll Allotment Plans Adopted?*

Yes. All that is necessary is to let the people of America know about the Plan and that it is available, and employees and employers will volunteer. Give them the medium and they will do the rest. The great majority of Americans are willing, eager, and anxious to serve their country. Give them a chance. This is their country, their problem. They will do the job.

POINTERS ON PAY-ROLL ALLOTMENT PLANS

A. The adoption of Pay-Roll Allotment Plans for the purchase of Defense Savings Bonds is greatly to be desired, because these Plans—

1. Afford workers a convenient, regular, automatic method of saving money and purchasing Defense Savings Bonds on the installment or budget plan.
2. Furnish a person with experience to purchase and register the Bonds for the worker.
3. Save the time of both employee and employer.
4. Only one sale has to be made—the initial one.
5. Make for continuous buying and saving.

B. Bear in mind that—

1. The Plan can be applied and adopted by any reputable business concern or industry.
2. A concern does not have to qualify as an issuing agency or receive permission from the Treasury Department to adopt a Pay-Roll Allotment Plan.
3. All that is necessary is to have the head of the company agree to install the Plan for those employees who desire to use it.

C. Positive action—

1. Prepare a suitable announcement and pay-roll allotment authorization order. (Copies of sample plans available from Pay-Roll Allotment Division, Defense Savings Staff, Washington, D. C.)

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2. Educate employees to the merits of the Pay-Roll Allotment Plan, and *fully inform at least one* of the *employer's staff* as to the *complete mechanics* of the Plan, together with the necessary information regarding the *purchasing* and *registering* of the Bonds.
3. Suggest that employer put *all* money, while accumulating, to the credit of the employee, in a separate bank account, to be held *in trust* for the employees, to be used *only* to purchase Bonds as directed.
4. As soon as sufficient money has accumulated to the credit of any particular employee to buy a Bond of the denomination requested, send a check to a Federal Reserve bank, qualified fiscal agent, post office, or United States Treasury.
5. Transmittal of funds to issuing agents may be made once each month or more frequently if desired. Such transmittals should be made either in duplicate, triplicate, or quadruplicate, giving the information for the purchasing and registering and delivery of the Bonds—individual name—co-owner—or beneficiary, and one check isued for the full amount of all Bonds to be bought.

   The issuing agency will receipt for the check, thereby giving the employer a record of the money transmitted.

   The issuing agency will then issue the Bonds *as requested,* and will mail them direct to purchaser by mail or as otherwise directed.
6. In the case of an employer with few employees, where the salary allotments amount to only a few dollars each pay period, the funds could immediately be invested in Stamps in the denominations desired, placed in individual albums and given to the employee. A short-form receipt could be taken from the employee. As soon as a sufficient amount of Stamps had accumulated to purchase a Bond, this service could immediately be rendered for the employee.

(SUGGESTED LETTER TO EMPLOYEES)

To All Employees:

Believing each of you will welcome a means by which you may set aside regularly each month (each pay period) a portion of your earnings for the purchase of United States Defense Savings Bonds, we have established for your benefit and will administer under the terms and conditions herein set forth, a Pay-Roll Allotment Plan.

The Bonds to be purchased are Series E United States Defense Savings Bonds which are direct obligations of the United States Government. They yield about 2.9 percent interest when held for 10 years.

Further descriptions of the Bonds, their denominations, cost, and maturity values are found in the pages attached hereto, and also in a circular issued by the United States Treasury Department, a copy of which will be given you.

Your participation in the Plan is purely voluntary. It is adopted only for your benefit and convenience. However, we believe you will welcome the opportunity of an automatic, simple method of buying a share in your Government.

Your money, as well as providing a sound investment for you, will be put to work at once in the National Defense Program to protect the safety and the freedom of the United States of America.

Sincerely yours,

(Signed) XYZ Manufacturing Company
(Name of employer)

SAMPLE OF CONTENTS FOR PAY-ROLL ALLOTMENT ANNOUNCEMENTS

I. *Principal Features of the Plan.*

1. United States Savings Bonds are Government obligations and are the prime investment of the Nation's insurance companies, trust companies, and other fiduciary institutions which are custodians of trust and other funds, and as such, seek safety as a first consideration.

2. Authorization to the company by employees of a regular allotment from their earnings for the purchase of Bonds in specified denominations. The allotment is voluntary and will continue until the authorization is canceled or changed.

3. Upon accumulation of the required amount, the company will arrange with a qualified issuing agency to purchase a Bond in the amount requested and have it registered in the name (or names) as requested on the pay-roll authorization. Bonds so purchased will be delivered by the issuing agency direct to the employee-purchaser by mail or as otherwise directed.

4. No interest will be paid upon such allotments while the purchase price is being accumulated. As soon as sufficient funds have been accumulated to purchase the Bond, the company will, within 1 month, purchase such Bond. The Bonds will be dated as of the first of the month in which they are purchased.

5. The Company assumes no responsibility in respect to the Bonds purchased under this plan after they have been purchased and delivered to the employee.

II. *Pay-Roll Allotment Authorization.*

Any regular employee may participate in this payment plan by executing a pay-roll allotment authorization order (see illustration contained herein), specifying in addition to information regarding name of employee, residence, etc.

1. The denomination of the Bonds to be purchased and the amount to be deducted each pay-roll period.

2. The name of the person (or persons) in which the Bonds should be registered and the address to which the Bonds should be delivered.

III. *Schedule of Allotments From Earnings.*

For employees paid weekly and semi-monthly, the minimum allotment will be ..... If larger deductions are desired they should be in multiples of .....

NOTE.—Employees have the privilege of subscribing to Bonds of any denomination offered. However, unless the allotment authorized is increased when Bonds of the higher denominations are subscribed for, the period for accumulating the purchase price, as well as the period during which no interest is earned on the savings, will be longer. Therefore, it is to the advantage of the employee to accumulate the purchase price as quickly as possible. In the case of the employee whose pay changes from a weekly to a semi-monthly or monthly basis, the deduction will be two or four times the weekly amount, respectively.

IV. *Funds Held In Trust.*

All money, while being accumulated, will be held in trust, be placed in a separate bank account, and be used only for the purchase of Bonds as directed.

V. *Pay-Roll Authorization and Interruptions Therein.*

Pay-roll allotment authorizations should be forwarded so as to reach the pay-roll officer at least 1 week prior to the close of the pay-roll period in which the first allotment is to be made.

Allotments will be made from earnings in each pay-roll period when the amount of pay is sufficient after making other deductions authorized or required. If in any pay-roll period allotments cannot be made in full because the pay due is insufficient, the allotment under this plan for that pay-roll period will be suspended. Allotments in the amount authorized will be resumed in the following pay-roll periods.

In the case of advance pay on account of vacations or otherwise, the allotment will be made in advance.

VI. *Changes In Pay-Roll Authorization.*

An employee who desires to cancel his pay-roll authorization may do so by giving notice in writing to the pay-roll officer of such change. Such change should be made and in the hands of the pay-roll officer at least *one* week in advance of the end of the pay-roll period.

Where an employee desires to increase or decrease the amount of the pay-roll allotment, a new allotment form should be filed with the pay-roll officer covering such change.

When an employee leaves the service of the company the pay-roll authorization will be automatically canceled, and, unless otherwise directed by the employee, any amount to the credit of the employee's account will be refunded either in cash, or in Savings Stamps, as desired.

In case of the death of an employee the pay-roll authorization will be automatically canceled, and any amount to the credit of the employee's account will be refunded.

VII. *Purchase and Delivery of Bonds.*

Once each month the company will arrange to purchase Bonds for those employees whose allotments have accumulated sufficient funds to permit of a purchase of the Bond requested and to have such Bonds registered in the name (or names) given in the pay-roll allotment authorization. Bonds so purchased will be delivered either direct or by mail to the address shown on the authorization form. The company will notify the employee at the time the purchase is made of such fact. If the Bond is not received within 2 weeks, the pay-roll officer should be notified so that proper follow-up may be made.

The employee should not accept delivery of a Bond until he has verified that the denomination is correct, that his name (or names) and address are duly and correctly inscribed on the face of the Bond, and that the dating stamp (with current date) of the Federal Reserve bank or Postmaster is imprinted in the lower left corner of the Bond, and that the Bond is duly dated as of the first day of the month in which remittance has been received by the Government. The date of remittance will be shown in the notification to the employee, mentioned in the preceding paragraph.

If delivery of a Bond should be accepted by another member of the household the employee should make the verification referred to in the preceding paragraph as soon as possible after its receipt. In case of error, the employee should return the Bond in person or by registered mail to the pay-roll officer of the company, together with a signed statement covering the correction to be made. This will permit the Bond to be returned for correction to the point where it originated. In order to avoid errors in the issuance of Bonds, it is essential that employees advise the pay-roll officer promptly of any change in the name (or names) in which Bonds are to be registered, and of changes in address.

All matters relating to the Bonds after their receipt in form acceptable to the employee should be handled directly by the owner with authorized agencies of the Government. The company will undertake to furnish all employees appropriate circulars issued by the Government, which should be retained by the em-

ployee for possible future reference regarding redemption, certification, protection against loss, etc.

VIII. *Co-Owner or Beneficiary.*

The purchaser of a Savings Bond, if an individual, may designate one individual co-owner or beneficiary—but not both. If either is named, the full name (not initials) must be given, and the address noted. (See descriptive literature issued by the United States Treasury Department regarding registration for personal purchase, for ownership by two persons and for naming beneficiary.)

IX. *Information Relating To the Amount Accumulated.*

Upon request the pay-roll officer will advise an employee the amount accumulated in his account for the purchase of United States Savings Bonds, but periodic statements showing amounts deducted and placed to the credit of employees will not be issued.

X. *Assignment.*

The assignment of funds accumulated to the account of an employee will not be permitted.

XI. *Responsibility.*

The company assumes no responsibility in respect to the Bonds purchased under this Plan after they have been purchased and delivered to the employees.

XII. *Termination of the Plan.*

The Plan is subject to discontinuance at the discretion of the company, but not until notice thereof has been given to the employee. Such discontinuance, unless occasioned by termination of the offer by the Secretary of the Treasury of the United States, will apply only to new authorizations; authorizations for allotments then in effect being continued until completed, and the Bonds purchased and delivered to the employees.

TABLE OF REDEMPTION VALUES OF DEFENSE SAVINGS BONDS (UNITED STATES SAVINGS BONDS—SERIES E) AND APPROXIMATE INVESTMENT YIELD TO THE BEGINNING OF EACH SEMIANNUAL PERIOD SHOWN AS RATE PERCENT PER ANNUM COMPOUNDED SEMIANNUALLY

MATURITY VALUE	$25.00	$50.00	$100.00	$500.00	$1,000.00	Approximate investment yield to beginning of each half-year period
ISSUE PRICE	$18.75	$37.50	$75.00	$375.00	$750.00	
PERIOD AFTER ISSUE DATE	REDEMPTION VALUES DURING EACH PERIOD					
First Year	$18.75	$37.50	$75.00	$375.00	$750.00	None
1 to 1½ Years	18.87	37.75	75.50	377.50	755.00	.67%
1½ to 2 Years	19.00	38.00	76.00	380.00	760.00	.88%
2 to 2½ Years	19.12	38.25	76.50	382.50	765.00	.99%
2½ to 3 Years	19.25	38.50	77.00	385.00	770.00	1.06%
3 to 3½ Years	19.50	39.00	78.00	390.00	780.00	1.31%
3½ to 4 Years	19.75	39.50	79.00	395.00	790.00	1.49%
4 to 4½ Years	20.00	40.00	80.00	400.00	800.00	1.62%
4½ to 5 Years	20.25	40.50	81.00	405.00	810.00	1.72%
5 to 5½ Years	20.50	41.00	82.00	410.00	820.00	1.79%
5½ to 6 Years	20.75	41.50	83.00	415.00	830.00	1.85%
6 to 6½ Years	21.00	42.00	84.00	420.00	840.00	1.90%
6½ to 7 Years	21.50	43.00	86.00	430.00	860.00	2.12%
7 to 7½ Years	22.00	44.00	88.00	440.00	880.00	2.36%
7½ to 8 Years	22.50	45.00	90.00	450.00	900.00	2.45%
8 to 8½ Years	23.00	46.00	92.00	460.00	920.00	2.51%
8½ to 9 Years	23.50	47.00	94.00	470.00	940.00	2.67%
9 to 9½ Years	24.00	48.00	96.00	480.00	960.00	2.78%
9½ to 10 Years	24.50	49.00	98.00	490.00	980.00	2.84%
AT MATURITY	25.00	50.00	100.00	500.00	1,000.00	2.90%

PAY ROLL ALLOTMENT AUTHORIZATION FOR PURCHASE OF UNITED STATES SERIES E SAVINGS BONDS

By _____
(Employee)

To _____
(Company)

I hereby authorize you to deduct from my earnings each _____ the amount of
(Pay-roll period)

$_____ effective with the pay roll ending _____. Each time the required amount $_____ has accumulated to my credit, to purchase and deliver to me a United States Series E Savings Bond maturity value of $_____. Such deduction shall continue each pay period thereafter until (a) Termination of my employment, (b) Written notice by me of the cancelation of this allotment, or (c) Termination of this allotment arrangement by you.

I understand that no interest is to be paid by the company on any accumulated funds.

Register bonds in the name of and deliver to:

Miss / Mrs. / Mr. _____
(Show given name, middle name or initial, and surname)

_____
(Number and street) (City or town) (State)

Address of Co-owner or beneficiary if different from above—

Miss / Mrs. / Mr. _____
(Show given name, middle name or initial, and surname)

_____
(Number and street) (City or town) (State)

This allotment is made in accordance with the terms and conditions of the Pay Roll Allotment Plan for the purchase of Series E United States Savings Bonds, the receipt of a copy of which I hereby acknowledge.

Witness _____ _____
(Signature of employee)

Date _____ Address _____
(Number and street) (City or town) (State)

NOTE.—The purchaser of a Savings Bond, if an individual, may designate one individual co-owner or beneficiary—but not both. Full name, not initials, and address must be noted.

_____ (Amount of Allotment)

_____ (Division)

_____ (Department)

_____ (Location)

_____ (Occupation)

_____ (Working Number)

_____ (Social Security Number)

_____ (Special Information)

_____

NAME						DEPT. & LOCATION						DEDUCTION		PAY-ROLL PERIOD						1ST DEDUCTION		ISSUE PRICE	
MONTH	PAY-ROLL PERIODS 1 2 3 4 5					APPLIED TO PURCHASE OF BOND	NET CREDIT END OF MONTH	PAY-ROLL PERIODS 1 2 3 4 5					APPLIED TO PURCHASE OF BOND	NET CREDIT END OF MONTH	PAY-ROLL PERIODS 1 2 3 4 5					APPLIED TO PURCHASE OF BOND	NET CREDIT END OF MONTH	MONTH
	YEAR 19							YEAR 19							YEAR 19							
J																						J
F																						F
M																						M
A																						A
M																						M
J																						J
J																						J
A																						A
S																						S
O																						O
N																						N
D																						D
	YEAR 19							YEAR 19							YEAR 19							
J																						J
F																						F
M																						M
A																						A
M																						M
J																						J
J																						J
A																						A
S																						S
O																						O
N																						N
D																						D

(*SAMPLE*)

BOND PURCHASE SCHEDULE—DEFENSE SAVINGS BONDS, SERIES E

XYZ Manufacturing Company (Firm name) | John Doe (Acting agent) | 6/15/41 (Date purchase) | $56.25 (Total deposit)

Name of Purchaser	Purchase Price	Name and Address of Registered Owner (or owners) or Beneficiaries and Addresses*	Maturity Value	Number of Bonds by Denomination to be Issued				
				$25	$50	$100	$500	$1,000
William Smith.....	$18.75	William Smith and Miss Mary Smith as beneficiary, 1515 Ottawa Street, Burlington, Iowa.	$25.00	1				
Robert Jones.....	37.50	Robert Jones and Mrs. Helen J. Jones as co-owners, 1150 Salem Street, Burlington, Iowa.	50.00		1			
TOTAL,	$56.25		$75.00	1	1			

VERIFIED: 6/15/41 (Date of payment) — J. B. L.—Federal Reserve Bank (Certified correct)

*Address of Co-owner or Beneficiary is the same as for owner unless otherwise noted.

(To Be Issued in Duplicate or Triplicate)

Sample of a Form That Could be Used to Notify Employees When Bond Is Purchased

Card—5" X 3"

John Doe (Name of employee) — 6-15-41 (Date)

You are hereby notified that a Defense Savings Bond, Series E, has this date been purchased for you as per your order and will be sent to you by mail to address specified in your application.

(Signed) XYZ Manufacturing Company (Name of employer)

MSH 26577

END OF
TITLE